

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2263-01
Bill No.: HB 965
Subject: Credit & Bankruptcy; Insurance-General; Insurance-Life
Type: Original
Date: April 2, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Office of State Courts Administrator** and the **Department of Economic Development–Division of Finance** assume the proposal will have no fiscal impact on their agencies.

Officials with the **Department of Insurance (INS)** assume the proposal will result in additional policy designs being developed by life insurers, emphasizing asset preservation. INS assumes additional filing fee revenue will be realized, but cannot estimate accurately. If only insurers now writing individual cash value life insurance developed one new product in response to the legislation, the filing fee revenue would approximate \$45,000 (based on a \$50 fee and 900 carriers). Revenue is estimated by INS at a range of \$0-\$45,000, but could potentially be much more.

Oversight assumes the proposal will not require insurance carriers to offer any new products, and therefore, while noting the potential for increased revenues if such products are developed, indicates no fiscal impact as a result of the proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could have a fiscal impact on small businesses that own cash-value insurance policies or which are creditors of individuals or businesses that own cash-value insurance policies.

DESCRIPTION

This bill makes the cash value of life insurance policies exempt from the claims of creditors.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance
Department of Economic Development
Division of Finance
Office of State Courts Administrator

A handwritten signature in black ink, appearing to read "Jeanne Jarrett".

Jeanne Jarrett, CPA
Director

April 2, 2001